

# HOUSE BILL 4787

I am here today to comment on House Bill 4787. My work for the past 10 years has been studying and reporting on charter school issues, since I had enrolled my daughter in a charter school in 1999. My advocacy work at times amount to 40+ hours a week. I made a point of testifying a qualifying my concerns at the monthly State Board of Education meetings so that issues that my not had been properly addressed by the authorizers in their oversight process could be noted by the State Superintendent/State Board, as the overseer of the authorizers. I could not let this opportunity to testify pass me by. I would like to share my concerns about the bigger picture of charter schools and the language in this new legislation.

This 45 page legislation includes 25 pages that deals with the introduction of Part 6D which is an addition to the charter school law. This is where the "turnaround school" is referenced. What is being created here is similar to the law to address the 15 Urban High Schools being opened in Detroit (Which was created specifically for an individual who had millions of dollars to invest in schools) which became Part 6C. The language of Part 6C has been basically copied with a few changes to create Part 6D. I am concerned that there has been some things overlooked that complicates this law unnecessarily and may take things in a direction that is not beneficial.

Once again new charter schools will be allowed to be approved by state universities without lifting the cap but this time by selective existing charter school entities and management companies. In reality, there is nothing to prohibit the LEA, ISD or community colleges from approving charter schools in the area of a "failing" traditional school now without any new legislation. This can happen under the existing Part 6A. Also the local district can convert the failing school to a charter under NCLB. I understand that this is not happening and schools are continuing a downward spiral. So this law builds in accountability for schools having not passed AYP for 4 consecutive years and the students scoring less than 35% on both math and ELA. The state will intervene with regulations cited in this legislation. I will talk about this more below.

This law will let CMU, GVSU, Ferris, etc. to plop down a charter within 5 miles of a LEA designated "failing" school at the same time the "failing" school would be putting in place mandatory changes as identified in 1280C. While the "failing" school is taking reform action, it will be up against direct competition for students, causing the lost of state aid from the failing school as well as other LEA programs. (As everybody knows the state aid funding for elementary students in a K-12 district is not spent on each elementary student but deposited into the pool for all district programs.) Take note though that if this is suppose to be a parent option out of this failing school, why is it so far away.

Part of the remaining bill addresses changes to Sec.1280 of the Revised Code pertaining to accreditation. This is followed by the addition of 1280C which addresses the state superintendent to hire a state school reform/redesign officer that will enforce action by a school that he deemed as "failing". Sec. 1320 is added which addresses the contracts entered into with an educational management company either by a LEA or a Public School Academy.

I would like to go over some particulars about the bill that I feel are critical to understand:

The term "turnaround school" is the reference for the public school academy that has been approved to open in proximity to an identified LEA school or previously established public school academy that has been deemed "failing". It must open within 4.9 miles of the designated failing school and within the same school district. There can only be one turnaround school designated for each failing school and it cannot be granted approval more than 2 years after the public school has been determined to be failing.

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June 4, 2009

The turnaround school must open with at least the lowest grade level offered at the failing school and shall add one or more grade levels each year to ensure that at least all of the grade levels offered by the failing school are offered by the turnaround school within 4 years. So if the failing school enrolls grades K-8, the turnaround school must open minimally with K. Most likely the school would be designed minimally with K-5 the first year, adding 6th, 7th and 8th the following 3 years. If the failing school was a high school, minimally 9th grade would open the first year, adding 10th, 11th and 12th the following 3 years. So in a failing high school only the incoming 9th graders would have the option of transferring to this alternative under this design. The students from the designated failing school would have first priority to available seats in the turnaround school. Since charters close enrollment once it reaches its designated capacity, a student would have a slim chance of getting into the charter if he did not enter the charter the first year, lets say 9<sup>th</sup> grade.

The turnaround school may be approved by the LEA, ISD, community college or STATE UNIVERSITY. A "qualified entity" who may apply for one of these turn around schools is described as having "been issued and is currently a party to a contract with an authorizing body to organize at least 1 public school academy under part 6A." In Part 6A, Contracts are issued to a "board of directors". So for this new legislation, is this making reference that a single individual from that board may apply or is it the entire board that applies? In the section of definitions it is stated "entity" means that term as defined in Part 6A. (I find it interesting that this is not written out here but one is referred to another section of the law that one may not have easy access too.) In Part 6A "entity" means a partnership, nonprofit or business corporation, labor organization, or any other association, corporation or trust, or legal entity. It has been customary for the applicants for public school academies to be the management companies themselves under this definition but the company would not be party to a contract with an authorizer. The contract would be with a board of directors who the management company hand picked, to whom the company would be accountable.

The 2nd requirement for this applicant to be qualified is "For each public school academy that it operates, the scores of the public school academy's pupils on Michigan Educational Assessment Program tests and, if the public school academy is a high school, on the Michigan Merit Examination are on average at least 10% higher than the scores of the pupils of the school district in which the public school academy is located." This sounds like a board of directors can be operating multiple contracts, as each school is to have its own contract and own board of directors. I do not know of any board of directors who makes up the composition of the board of directors of another public school academy. I am not sure that it would be legal for a person to be sitting on two academy's boards at the same time. Now there are some academies that are operating multiple campuses under just one board of directors. (I do believe that this is illegal.) Each campus is established as an individual school but it is overseen by just the one board of directors. So this could mean that each campus scores would have to surpass the local district scores by 10%? I do know that the MDE tallies the scores of these multiple campuses as if the school is ONE school. So are we just looking at the building average, even though the charter may have 3 or 4 buildings all under a different administrators?

To understand the percent factor, if the district MEAP score in math is an average of 10 elementary schools and that comes out to be 66%, a charter school in the district would have to score 6.6 percentage points higher, 72.6%, to qualify as an applicant for a turnaround school. In glancing over MEAP scores as they are posted in the most recent Charter School Report to the Legislature, it can be identified which charter schools are scoring higher than the district where they reside.

It must be noted though that we are not comparing apples to apples. It is more like comparing one orange to a whole bushel basket of apples. One charter school's scores of possibly 300 students is being compared against the average score from a district having possibly 5, 10 or even 20 elementary schools, totaling thousands of students. In many cases where the charter school does better than the district average, the charter has enrolled less students who qualify for free and reduced lunches. The trend at the elementary level is schools OPENED and operated by National Heritage Academy are doing

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better than the LEA but they do position themselves most often in the more affluent areas of districts. They take a firm stand that they will not provide bussing, so only parents with the ability to drive their children attend. Other charters that are failing better are often converted private schools or schools with a very specific focus that are self managed or under the management company created for that one school.

At the high school level, there are roughly 10 charters state wide that have qualifying scores to be a qualified entity. Instead of them trying to recreate what they are doing at another location with an entirely different demographics of students, why can't the concepts of their programs be part of the reform of the "failing" school. Isn't that what the charter movement was suppose to be about? The traditional districts could learn some new things from what was demonstrated by these new creations who said "Give us a chance to show that we can do it better." It sounded like the earlier testimony from the Grand Rapids Schools Superintendent that they may have tried everything that any charter may be doing. If that is the case, why should we think a charter will be able to do it better, setting up shop in that neighborhood.

Also since students travel to charters across many district boundaries, it is not a fair comparison to compare the charter scores against just one district scores. A charter bordering several districts could actually be pulling in more students from the neighboring district than the district that the charter is located in.

For clarity, I want to throw out some scenarios based on the way the legislation is written. Can the board of directors of Ridge Park Charter Academy, a charter school in Grand Rapids, a qualifying entity, apply to open a turnaround school in Pontiac?

The contract for the turnaround school shall be issued to a "turnaround school corporation" designated by the entity applying for the contract. This corporation shall be organized under the Non-Profit Corporation Act. The board of directors is responsible for organizing and administering the turnaround school. This is different than how the public school academies are created under Part 6A but similar to how the urban high schools are created. In 6A the contracts are issued to the board of directors. In 6C, the contracts are issued to the non-profit corporations. I am not certain what role this corporation will play for the turnaround schools. We are getting a lot of people involved which complicates the oversight process.

Further in the middle of this legislation in sec. 539 it reads "an authorizing body and turnaround school may include provisions in the contract that permits the entity that applied for the contract to do any of the following: A) Participate in the recruiting, interviewing, and nominating process for the turnaround school board members. B) conduct an independent educational review to see if educational goals are being met C) serve as a contract administrator between the turnaround school board and any educational management company contracted to operate the turn around school D) Make recommendations to the authorizing body and turnaround school on how to improve the turnaround school's operation. Remember that the entity that applies is the board of directors of an already operating charter school. It would seem like the board of directors of the applying charter school may be stepping on the toes of the academy board for this turnaround school. This is like having a big brother or guardian for this new academy?

The legislation reads an authorizing body shall not issue a contract unless the contract requires the turnaround school to enter into an agreement for operation of the school by an established educational management organization approved by the department. Does this mean the Department of Education? On what basis is the MDE evaluating educational management organizations? In some cases the qualified applicant may not have used an EMO in their "successful" charter school so why should they be required to implement something different that could jeopardize the success. I have a

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feeling that this legislation is designed with something very specific in mind just like Part 6C was written. Are we catering to a specific educational management company to be able to open more charters across the state, sidestepping the imposed legislative cap? This certainly rolls out the red carpet for more National Heritage Schools.

The legislation reads that before an authorizing body revokes a contract of a turnaround school, the authorizing body shall consider and take corrective action to avoid revocation. Reconstitution should be attempted which could include removing 1 or more board members, withdrawing approval to contract under section 535 for an agreement described in section 1320, or appointing a new board of directors or trustee to take over the turnaround school. This scenario has come up numerous times with the existing charters. I ask why is so much effort being put in supporting charter schools that voluntarily came forward to say "Give us a chance to show you we can spend school tax dollars more effectively." If a charter has reach Phase 4 of NCLB they should be CLOSED by their authorizer. If a charter is not adhering to its contract it should be CLOSED. We are we spending energy, time and finances and an experiment gone bad?

Thank you for your time. I would be glad to discuss this in closer detail as time only permits me to hit on some of the obvious high points.

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